

HBOS Social Housing Covered Bonds LLP
Quarterly Investor Report - 14 June 2019

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19/06/2019

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 2 2019

Date of Report 14-Jun-2019

Current Counterparties

Group Guarantors	HBOS plc
Servicer	Bank of Scotland plc
Cash Manager	Bank of Scotland plc
Covered Bond Swap Provider	Bank of Scotland plc
Interest Rate Swap Provider	Bank of Scotland plc
Account Bank Provider	Bank of Scotland plc

GIC Sub Accounts

Revenue GIC Sub-Account	13,146,610
Principal GIC Sub-Account	192,340,590
Reserve GIC Sub-Account	0
Liquidation GIC Sub-Account	0
GIC Account Total	205,487,200

Transaction Accounts

Transaction Principal Account	0
Transaction Revenue Account	87
Transaction Account Total	87

Investments

Substitution Assets Balance	0
Authorised Investments Balance	0
Total	0

Capital Contribution Balance

Capital Account - Bank of Scotland	728,378,962
Capital Account - Addison Social Housing LLP	0
Total	728,378,962

Credit Ratings

	Short Term		Long Term	
	Moody's	S&P	Moody's	S&P
Bank of Scotland plc	P-1	A-1	Aa3	A+

HBOS Event of Default?

LLP Event of Default?

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QUARTERLY REPORT - QUARTER 2 2019

Asset Coverage Test *

* The full definition of the Asset Coverage Test is documented within the Offering Circular

A = Net Current Balance of Loans in the Portfolio x Asset Percentage	1,197,027,019
B = Unapplied Principal Receipts	82,585,700
C = Unapplied Cash Capital Contributions	109,754,889
D = Substitution Assets	0
E = Sale Proceeds	0
X = Outstanding Weighted Average Margin	17,291,254

Total: A+B+C+D+E-X **1,372,076,354**

Principal Amount Outstanding	1,200,000,000
Asset Coverage Test	PASS
Asset Percentage	70.94%
Maximum Level of Issuance	81.31%
Current Level of Issuance	71.12%

Portfolio Characteristics

Total of the aggregate Current Balance of Loans in the Portfolio	1,687,379,502
Number of Loan Agreements in the Portfolio	43
Average Loan Balance	39,241,384

Region	Aggregate Current Balance	% of Total	Number of Loan Agreements	Number of Loan Accounts
East	123,440,075	7.3%	3	8
East Midlands	224,957,949	13.3%	4	27
London	325,017,507	19.3%	5	19
North East	0	0.0%	0	0
North West	200,980,253	11.9%	8	41
South East	436,377,303	25.9%	6	35
South West	197,476,281	11.7%	8	37
Wales	70,277,238	4.2%	5	23
West Midlands	107,233,282	6.4%	3	22
Yorkshire & The Humber	1,619,613	0.1%	1	1
Totals	1,687,379,502	100.0%	43	213

Margin

Weighted Average Margin	No. Facilities	Balance
20 bps - <25 bps	1	277,283,991
25 bps - <30 bps	9	468,808,180
30 bps - <40 bps	3	144,016,475
40 bps - <50 bps	4	86,392,247
50 bps - <60 bps	1	104,302,373
60 bps - <80 bps	4	123,768,021
80 bps - <100 bps	7	229,012,310
100 bps - <120 bps	2	43,631,727
120 bps - <140 bps	1	12,518,875
140 bps +	11	197,645,301
Total	43	1,687,379,502
Weighted average (bps)		63.90

Property Numbers

Property Numbers	No. Facilities	Balance
0 units - <500 units	12	126,435,831
500 units - <1,000 units	6	238,506,351
1,000 units - <2,000 units	6	233,010,458
2,000 units - <3,000 units	8	229,582,762
3,000 units - <4,000 units	3	130,492,362
4,000 units - <5,000 units	1	277,283,991
5,000 units - <10,000 units	5	415,625,802
10,000 units - <15,000 units	2	36,441,944
15,000 units - <20,000 units	0	0
20,000 units +	0	0
Total	43	1,687,379,502
Weighted average (units)		3,573

HBOS SOCIAL HOUSING COVERED BONDS LLP
QUARTERLY REPORT - QUARTER 2 2019

Portfolio Characteristics (cont)

Remaining Maturity	No. Facilities	Balance
0 years - <5 years	19	607,261,664
5 years - <10 years	3	71,072,788
10 years - <15 years	4	353,140,207
15 years - <20 years	12	402,311,125
20 years - <25 years	5	253,593,719
Total	43	1,687,379,502
Weighted average (years)		11.4

Last Valuation	No. Facilities	Balance
2010 - 2012	3	134,162,289
2012 - 2014	3	93,355,917
2014 - 2016	10	215,948,342
2016 - present	27	1,243,912,954
Total	43	1,687,379,502
Weighted average (date)		Apr-2017

Rank	Balance	Percentage
1	388,905,072	23.05%
2	130,338,927	7.72%
3	104,302,373	6.18%
4	88,401,301	5.24%
5	87,444,382	5.18%
6	80,064,325	4.74%
7	74,770,886	4.43%
8	71,149,125	4.22%
9	62,226,265	3.69%
10	48,065,373	2.85%

Asset Cover Analysis at Calculation Date

Asset Cover - Covenant No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	0	3
105% - <110%	5	0	3
110% - <115%	1	0	8
115% - <120%	2	2	7
120% - <125%	0	1	5
125% - <130%	0	4	1
130% - <135%	0	1	0
135% - <140%	0	0	0
140% +	0	0	0
Total	8	8	27
			43

Asset Cover - Actual No. of Facilities	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	1	1
105% - <110%	0	0	2
110% - <115%	0	0	0
115% - <120%	0	0	2
120% - <125%	0	0	0
125% - <130%	1	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	7	7	22
Total	8	8	27
			43

Drawn Balance by Actual Asset Cover	Basis I	Basis II - LSVT	Basis II - Mixed- funded
100% - <105%	0	3,596,966	74,770,886
105% - <110%	0	0	99,475,967
110% - <115%	0	0	0
115% - <120%	0	0	71,149,125
120% - <125%	0	0	0
125% - <130%	21,112,301	0	0
130% - <135%	0	0	0
135% - <140%	0	0	0
140% +	318,468,002	123,134,751	975,671,502
Total	339,580,303	126,731,718	1,221,067,481
			1,687,379,502

Basis I = Existing Usage Valuation (EUV), which provides a valuation of the housing stock based on current occupancy levels.

Basis II LSVT = Market Valuation subject to Tenancies (MVT), which provides a valuation of the housing stock based on full occupancy levels.

Basis II - Mixed-funded = Housing stock is valued on Basis I and Basis II - LSVT, as above.